

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>TOWNSHIP OF OAKFIELD</b>	County <b>KENT</b>
Audit Date <b>3/31/04</b>	Opinion Date <b>7/7/04</b>	Date Accountant Report Submitted to State: <b>9/13/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Siegfried Crandall PC</b>			
Street Address <b>246 East Kilgore Road</b>		City <b>Kalamazoo</b>	State <b>MI</b>
		ZIP <b>49002-5599</b>	
Accountant Signature 			Date <b>9/13/04</b>

*Township of Oakfield*  
*Kent County, Michigan*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2004*

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## INDEPENDENT AUDITORS' REPORT

**Board of Trustees  
Township of Oakfield, Michigan**

We have audited the accompanying general purpose financial statements of the Township of Oakfield, Michigan, as of and for the year ended March 31, 2004, as listed in the contents. These general purpose financial statements are the responsibility of the Township of Oakfield's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Oakfield, Michigan, as of March 31, 2004, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Oakfield, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is stated fairly in all material respects in relation to the general purpose financial statements taken as a whole.

*Siegfried Crandall P.C.*

July 7, 2004

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

**Township of Oakfield****COMBINED BALANCE SHEET - all fund types and account group**

March 31, 2004

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	<u>Governmental fund types</u>	
	<u>General</u>	<u>Special revenue</u>
ASSETS		
Cash	\$ 302,845	\$ 140,904
Investments	68,090	315,605
Receivables:		
Taxes	9,879	-
Accounts	7,347	-
Special assessments	116,871	-
Due from other funds	853	-
Due from other governmental units	46,643	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 552,528</u>	<u>\$ 456,509</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
Accounts payable	\$ 29,586	\$ -
Accrued expenditures	6,871	-
Due to other funds	-	-
Deferred revenue	116,230	-
	<hr/>	<hr/>
Total liabilities	<u>152,687</u>	<u>-</u>
FUND EQUITY:		
Investment in general fixed assets	-	-
Contributed capital	-	-
Retained earnings	-	-
Fund balance:		
Reserved for right-of-way expenditures	1,085	-
Unreserved, undesignated	398,756	456,509
	<hr/>	<hr/>
Total fund equity	<u>399,841</u>	<u>456,509</u>
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 552,528</u>	<u>\$ 456,509</u>

<i><u>Proprietary fund type</u></i>	<i><u>Fiduciary fund type</u></i>	<i><u>Account group</u></i>	<i><u>Totals</u></i>
<i><u>Enterprise</u></i>	<i><u>Agency</u></i>	<i><u>General fixed assets</u></i>	<i><u>(memorandum only)</u></i>
\$ 57,443	\$ 853	\$ -	\$ 502,045
-	-	-	383,695
-	-	-	9,879
8,795	-	-	16,142
-	-	-	116,871
-	-	-	853
-	-	-	46,643
<u>233,791</u>	<u>-</u>	<u>807,034</u>	<u>1,040,825</u>
<u>\$ 300,029</u>	<u>\$ 853</u>	<u>\$ 807,034</u>	<u>\$ 2,116,953</u>
\$ -	\$ -	\$ -	\$ 29,586
-	-	-	6,871
-	853	-	853
<u>-</u>	<u>-</u>	<u>-</u>	<u>116,230</u>
<u>-</u>	<u>853</u>	<u>-</u>	<u>153,540</u>
-	-	807,034	807,034
246,523	-	-	246,523
53,506	-	-	53,506
-	-	-	1,085
<u>-</u>	<u>-</u>	<u>-</u>	<u>855,265</u>
<u>300,029</u>	<u>-</u>	<u>807,034</u>	<u>1,963,413</u>
<u>\$ 300,029</u>	<u>\$ 853</u>	<u>\$ 807,034</u>	<u>\$ 2,116,953</u>

See notes to financial statements

**Township of Oakfield****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - all governmental fund types***Year ended March 31, 2004*

	<u>General</u>	<u>Special revenue</u>	<u>Totals (memorandum only)</u>
REVENUES:			
Taxes	\$ 151,772	\$ -	\$ 151,772
Licenses and permits	97,061	-	97,061
Federal grant	3,084	-	3,084
State grants	352,277	-	352,277
Charges for services	3,331	2,300	5,631
Interest and rentals	7,553	4,976	12,529
Other	40,517	-	40,517
Total revenues	<u>655,595</u>	<u>7,276</u>	<u>662,871</u>
EXPENDITURES:			
Legislative	4,085	-	4,085
General government	204,183	-	204,183
Public safety	140,151	-	140,151
Public works	200,480	-	200,480
Community and economic development	10,353	-	10,353
Capital outlay	81,928	-	81,928
Total expenditures	<u>641,180</u>	<u>-</u>	<u>641,180</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>14,415</u>	<u>7,276</u>	<u>21,691</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	874	41,493	42,367
Operating transfers out	(41,493)	(874)	(42,367)
Total other financing sources (uses)	<u>(40,619)</u>	<u>40,619</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(26,204)	47,895	21,691
FUND BALANCE - BEGINNING OF YEAR	<u>426,045</u>	<u>408,614</u>	<u>834,659</u>
FUND BALANCE - END OF YEAR	<u>\$ 399,841</u>	<u>\$ 456,509</u>	<u>\$ 856,350</u>

*See notes to financial statements*



**Township of Oakfield****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - *general and special revenue funds****Year ended March 31, 2004*

	<i>General</i>		
	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Taxes	\$ 135,750	\$ 151,772	\$ 16,022
Licenses and permits	85,775	97,061	11,286
Federal grant	32,900	3,084	(29,816)
State grants	345,000	352,277	7,277
Charges for services	4,300	3,331	(969)
Interest and rentals	19,000	7,553	(11,447)
Other	59,950	40,517	(19,433)
Total revenues	<u>682,675</u>	<u>655,595</u>	<u>(27,080)</u>
EXPENDITURES:			
Legislative	4,500	4,085	415
General government	254,248	204,183	50,065
Public safety	149,474	140,151	9,323
Public works	259,894	200,480	59,414
Community and economic development	27,357	10,353	17,004
Capital outlay	101,158	81,928	19,230
Total expenditures	<u>796,631</u>	<u>641,180</u>	<u>155,451</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(113,956)</u>	<u>14,415</u>	<u>128,371</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	2,000	874	(1,126)
Operating transfers out	<u>(25,340)</u>	<u>(41,493)</u>	<u>(16,153)</u>
Total other financing sources (uses)	<u>(23,340)</u>	<u>(40,619)</u>	<u>(17,279)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(137,296)</u>	<u>(26,204)</u>	<u>111,092</u>
FUND BALANCE - BEGINNING OF YEAR	<u>426,045</u>	<u>426,045</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 288,749</u>	<u>\$ 399,841</u>	<u>\$ 111,092</u>

<i>Special revenue</i>			<i>Totals (memorandum only)</i>		
<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
\$ -	\$ -	\$ -	\$ 135,750	\$ 151,772	\$ 16,022
-	-	-	85,775	97,061	11,286
-	-	-	32,900	3,084	(29,816)
-	-	-	345,000	352,277	7,277
1,000	2,300	1,300	5,300	5,631	331
2,300	4,976	2,676	21,300	12,529	(8,771)
-	-	-	59,950	40,517	(19,433)
<u>3,300</u>	<u>7,276</u>	<u>3,976</u>	<u>685,975</u>	<u>662,871</u>	<u>(23,104)</u>
-	-	-	4,500	4,085	415
-	-	-	254,248	204,183	50,065
-	-	-	149,474	140,151	9,323
-	-	-	259,894	200,480	59,414
-	-	-	27,357	10,353	17,004
-	-	-	101,158	81,928	19,230
<u>-</u>	<u>-</u>	<u>-</u>	<u>796,631</u>	<u>641,180</u>	<u>155,451</u>
<u>3,300</u>	<u>7,276</u>	<u>3,976</u>	<u>(110,656)</u>	<u>21,691</u>	<u>132,347</u>
25,340	41,493	16,153	27,340	42,367	15,027
(2,000)	(874)	1,126	(27,340)	(42,367)	(15,027)
<u>23,340</u>	<u>40,619</u>	<u>17,279</u>	<u>-</u>	<u>-</u>	<u>-</u>
26,640	47,895	21,255	(110,656)	21,691	132,347
<u>408,614</u>	<u>408,614</u>	<u>-</u>	<u>834,659</u>	<u>834,659</u>	<u>-</u>
<u>\$ 435,254</u>	<u>\$ 456,509</u>	<u>\$ 21,255</u>	<u>\$ 724,003</u>	<u>\$ 856,350</u>	<u>\$ 132,347</u>

See notes to financial statements

***Township of Oakfield***  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN RETAINED EARNINGS - *proprietary fund type***  
*Year ended March 31, 2004*

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OPERATING REVENUES	\$ 52,360
OPERATING EXPENSES	<u>41,233</u>
OPERATING INCOME	11,127
NONOPERATING REVENUE:	
Interest	<u>148</u>
NET INCOME	11,275
Add depreciation on fixed assets acquired by grants, externally restricted for capital acquisition and construction, that reduces contributed capital	<u>6,445</u>
INCREASE IN RETAINED EARNINGS	17,720
RETAINED EARNINGS - BEGINNING OF YEAR	<u>35,786</u>
RETAINED EARNINGS - END OF YEAR	<u>\$ 53,506</u>

*See notes to financial statements*

***Township of Oakfield*****STATEMENT OF CASH FLOWS - *proprietary fund type****Year ended March 31, 2004*

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Cash flows from operating activities:	
Receipts from customers and users	\$ 53,175
Payments to suppliers	<u>(41,283)</u>
Net cash provided by operating activities	11,892
Cash flows from investing activities:	
Interest received	<u>148</u>
Net increase in cash	12,040
Cash - beginning of year	<u>45,403</u>
Cash - end of year	<u><u>\$ 57,443</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 11,127
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	6,445
Increase in accounts receivable	<u>(5,680)</u>
Net cash provided by operating activities	<u><u>\$ 11,892</u></u>

*See notes to financial statements*

**Township of Oakfield**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Township of Oakfield, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant accounting policies:

*a) Reporting entity:*

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Township, or primary government. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Township has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Township's financial statements.

*b) Basis of presentation:*

The accounts of the Township are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in, individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The financial activities of the Township are recorded in the separate funds and account group, categorized, and described as follows:

*i) Governmental funds:*

General Fund - this fund is used to account for all financial resources not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from state distributions and property taxes.

Special revenue funds - these funds are used to account for specific revenues derived primarily from general fund appropriations, which are to be expended for specific purposes as dictated by legal, regulatory, or administrative requirements.

*ii) Proprietary funds:*

Enterprise Fund - this fund is the Sewer Fund and is used to account for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Township of Oakfield**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*b) Basis of presentation (continued):*

*iii) Fiduciary funds:*

Agency funds - agency funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*iv) Account group:*

General fixed assets account group - this account group presents the fixed assets of the local unit utilized in its general operations (nonproprietary fixed assets).

This account group is not a fund. It is concerned only with the measurement of financial position and is not involved with the measurement of results of operations.

*c) Basis of accounting:*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due.

The proprietary fund is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned and its expenses are recognized when they are incurred. The Township has elected to follow (1) all GASB pronouncements and (2) Financial Accounting Standards Board statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

*d) Budgets and budgetary accounting:*

The Township follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Acts of 1978) as prescribed by the State of Michigan.

Budgets for the general and special revenue funds are adopted at the activity level and are on a basis consistent with generally accepted accounting principles.

**Township of Oakfield**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*e) Receivables:*

All receivables are expected to be fully collectible as presented.

*f) Fixed assets:*

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against operations. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation has been provided over the estimated useful life using the straight-line method. The estimated useful life is as follows:

Sewer system	50 years
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*g) Property tax:*

Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on February 14 (with the final collection date of February 28), at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township considers property taxes levied December 1 as revenues of the current year.

*h) Special assessment revenue recognition:*

Special assessment revenues are recorded as deferred when initially assessed. To the extent special assessments are realized, that is collected, revenues are recognized. Special assessments are recognized as revenue when they become measurable and available. Any portion of special assessments which does not meet both the criteria is reported as deferred revenue. Interest income on special assessments receivable is not accrued until its due date.

*i) Fund equity:*

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

**Township of Oakfield**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*j) Totals (memorandum only):*

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - CASH AND INVESTMENTS:

A reconciliation of cash and investments to the Township's deposits and investments, as shown in the combined balance sheet, is as follows:

*Financial statements:*

Cash	\$502,045
Investments	<u>383,695</u>
	<u>\$885,740</u>

*Notes to financial statements:*

Deposits	\$501,445
Investments	383,695
Cash on hand	<u>600</u>
	<u>\$885,740</u>

*a) Deposits:*

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township Treasurer. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in accounts of federally-insured banks, credit unions, and savings and loan associations. At March 31, 2004, the Township has deposits with a carrying amount of \$501,445 and a bank balance of \$502,291. Of the bank balance, \$100,000 is covered by federal depository insurance and \$402,291 is uninsured.

*b) Investments:*

State statutes authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper, with three highest rate classifications by at least two rating services, maturing not later than 270 days; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds that invest in investments allowed by state statute; and f) investment pools organized under the local government investment pool act.

Investments consist of holdings in the Kent County Investment Pool, which is a non-risk categorized, qualifying investment pool. These investments are recorded at cost, which approximates fair market value.



**Township of Oakfield**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES:**

The amounts of interfund receivables and payables at March 31, 2004, are as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Fund</u>	<u>Interfund payable</u>
General	<u>\$853</u>	Tax Collection	<u>\$853</u>

**NOTE 4 - FIXED ASSETS:**

The following is a schedule of changes in general fixed assets of the Township during the year ended March 31, 2004:

	<u>Balance April 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2004</u>
Land and improvements	\$ 87,134	\$ -	\$ -	\$ 87,134
Buildings	237,216	5,221	-	242,437
Equipment	123,029	7,707	-	130,736
Fire department equipment	<u>312,999</u>	<u>45,728</u>	<u>12,000</u>	<u>346,727</u>
	<u>\$760,378</u>	<u>\$58,656</u>	<u>\$12,000</u>	<u>\$807,034</u>

A summary of proprietary fund type fixed assets at March 31, 2004, is as follows:

	<u>Enterprise Fund</u>
Sewer system	\$350,108
Less accumulated depreciation	<u>116,317</u>
Net book value	<u>\$233,791</u>

**NOTE 5 - SELECTED SEGMENT INFORMATION:**

Selected segment information of the sole enterprise fund is as follows: working capital - \$66,238.

**NOTE 6 - CLAIMS ARISING FROM RISKS OF LOSS:**

The Township is exposed to various risks of loss to general liability, property and casualty, and workers' compensation.

The risks of loss arising from general liability up to \$2,000,000, building contents, workers' compensation, and casualty are managed through purchased commercial insurance.

***Township of Oakfield***  
**NOTES TO FINANCIAL STATEMENTS (*Continued*)**

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**NOTE 7 - CONSTRUCTION CODE ACT:**

A summary of construction code enforcement transactions for the year ended March 31, 2004, is as follows:

Permit revenues	\$87,750
Expenses:	
Direct	78,883
Indirect	<u>9,743</u>
Deficiency of revenues over expenses	\$ <u>(876)</u>

**NOTE 8 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS:**

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted at the activity level.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds, which were in excess of the amounts appropriated. The following schedule sets forth significant budget variations:

<u>Fund</u>	<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	Operating transfers out	\$25,340	\$41,493	\$16,153

## **SUPPLEMENTARY INFORMATION**

**Township of Oakfield****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - General Fund***Year ended March 31, 2004*

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	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes	\$ 135,750	\$ 151,772	\$ 16,022
Licenses and permits	85,775	97,061	11,286
Federal grant	32,900	3,084	(29,816)
State grants	345,000	352,277	7,277
Charges for services	4,300	3,331	(969)
Interest and rentals	19,000	7,553	(11,447)
Other:			
Special assessments	46,350	15,470	(30,880)
Miscellaneous	13,600	25,047	11,447
Total revenues	<u>682,675</u>	<u>655,595</u>	<u>(27,080)</u>
EXPENDITURES:			
Legislative - Township board	<u>4,500</u>	<u>4,085</u>	<u>415</u>
General government:			
Supervisor	17,500	17,222	278
Elections	4,500	1,083	3,417
Assessor/tax administration	52,536	39,270	13,266
Clerk	18,500	18,112	388
Treasurer	18,738	18,661	77
Township hall	41,005	24,872	16,133
Cemetery	13,550	11,096	2,454
Legal and accounting	31,603	29,893	1,710
Other	<u>56,316</u>	<u>43,974</u>	<u>12,342</u>
Total general government	<u>254,248</u>	<u>204,183</u>	<u>50,065</u>
Public safety:			
Fire department	72,821	61,268	11,553
Construction code enforcement	<u>76,653</u>	<u>78,883</u>	<u>(2,230)</u>
Total public safety	<u>149,474</u>	<u>140,151</u>	<u>9,323</u>

**Township of Oakfield****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - General Fund (Continued)**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued):			
Public works:			
Road construction and maintenance	\$ 212,894	\$ 169,076	\$ 43,818
Weed control	45,000	31,260	13,740
Public transportation	1,000	144	856
Site clean up	1,000	-	1,000
Total public works	<u>259,894</u>	<u>200,480</u>	<u>59,414</u>
Community and economic development:			
Planning commission	10,000	3,380	6,620
Zoning	17,357	6,973	10,384
Total community and economic development	<u>27,357</u>	<u>10,353</u>	<u>17,004</u>
Capital outlay	<u>101,158</u>	<u>81,928</u>	<u>19,230</u>
Total expenditures	<u>796,631</u>	<u>641,180</u>	<u>155,451</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(113,956)</u>	<u>14,415</u>	<u>128,371</u>
OTHER FINANCING SOURCES (USES):			
Operating transfer in - Cemetery Fund	2,000	874	(1,126)
Operating transfer out - Capital Improvement Fund (net)	<u>(25,340)</u>	<u>(41,493)</u>	<u>(16,153)</u>
Total other financing sources (uses)	<u>(23,340)</u>	<u>(40,619)</u>	<u>(17,279)</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(137,296)</u>	<u>(26,204)</u>	<u>111,092</u>
FUND BALANCE - BEGINNING OF YEAR	<u>426,045</u>	<u>426,045</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 288,749</u>	<u>\$ 399,841</u>	<u>\$ 111,092</u>

***Township of Oakfield***  
**COMBINING BALANCE SHEET - *special revenue funds***  
*March 31, 2004*

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	<u>Cemetery</u>	<u>Capital Improvement</u>	<u>Totals (memorandum only)</u>
ASSETS			
Cash	\$ 30,904	\$ 110,000	\$ 140,904
Investments	<u>-</u>	<u>315,605</u>	<u>315,605</u>
TOTAL ASSETS	<u>\$ 30,904</u>	<u>\$ 425,605</u>	<u>\$ 456,509</u>
FUND BALANCE			
FUND BALANCE - Unreserved, undesignated	<u>\$ 30,904</u>	<u>\$ 425,605</u>	<u>\$ 456,509</u>

**Township of Oakfield****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - special revenue funds***Year ended March 31, 2004*

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	<u>Cemetery</u>	<u>Capital Improvement</u>	<u>Totals (memorandum only)</u>
REVENUES:			
Charges for services	\$ 2,300	\$ -	\$ 2,300
Interest	<u>478</u>	<u>4,498</u>	<u>4,976</u>
Total revenues	<u>2,778</u>	<u>4,498</u>	<u>7,276</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	41,493	41,493
Operating transfers out	<u>(874)</u>	<u>-</u>	<u>(874)</u>
Total other financing sources (uses)	<u>(874)</u>	<u>41,493</u>	<u>40,619</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,904	45,991	47,895
FUND BALANCE - BEGINNING OF YEAR	<u>29,000</u>	<u>379,614</u>	<u>408,614</u>
FUND BALANCE - END OF YEAR	<u>\$ 30,904</u>	<u>\$ 425,605</u>	<u>\$ 456,509</u>

**Township of Oakfield****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - Cemetery Fund***Year ended March 31, 2004*

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	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Charges for services - lot sales	\$ 1,000	\$ 2,300	\$ 1,300
Interest	<u>300</u>	<u>478</u>	<u>178</u>
Total revenues	1,300	2,778	1,478
OTHER FINANCING USES:			
Operating transfers out - General Fund	<u>(2,000)</u>	<u>(874)</u>	<u>1,126</u>
EXCESS (DEFICIENCY) OF REVENUES OVER OTHER USES	(700)	1,904	2,604
FUND BALANCE - BEGINNING OF YEAR	<u>29,000</u>	<u>29,000</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 28,300</u>	<u>\$ 30,904</u>	<u>\$ 2,604</u>



***Township of Oakfield***

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCE - BUDGET AND ACTUAL - *Capital Improvement Fund***

*Year ended March 31, 2004*

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	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Interest	\$ 2,000	\$ 4,498	\$ 2,498
OTHER FINANCING SOURCES:			
Operating transfers in - General Fund (net)	<u>25,340</u>	<u>41,493</u>	<u>16,153</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER OTHER USES	27,340	45,991	18,651
FUND BALANCE - BEGINNING OF YEAR	<u>379,614</u>	<u>379,614</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 406,954</u>	<u>\$ 425,605</u>	<u>\$ 18,651</u>

**Township of Oakfield**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**all agency funds**  
Year ended March 31, 2004

	<i>Balance April 1, 2003</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance March 31, 2004</i>
<b>TRUST AND AGENCY FUND</b>				
ASSETS				
Cash	\$ -	\$ 3,507	\$ 3,507	\$ -
LIABILITIES				
Due to other funds	\$ -	\$ 892	\$ 892	\$ -
Due to other governmental units	-	2,615	2,615	-
TOTAL LIABILITIES	\$ -	\$ 3,507	\$ 3,507	\$ -
<b>TAX COLLECTION FUND</b>				
ASSETS				
Cash	\$ 4,219	\$ 3,389,241	\$ 3,392,607	\$ 853
LIABILITIES				
Accounts payable	\$ -	\$ 29,692	\$ 29,692	\$ -
Due to other funds	4,219	128,232	131,598	853
Due to other governmental units	-	3,231,317	3,231,317	-
TOTAL LIABILITIES	\$ 4,219	\$ 3,389,241	\$ 3,392,607	\$ 853
<b>TOTALS - ALL AGENCY FUNDS</b>				
ASSETS				
Cash	\$ 4,219	\$ 3,392,748	\$ 3,396,114	\$ 853
LIABILITIES				
Accounts payable	\$ -	\$ 29,692	\$ 29,692	\$ -
Due to other funds	4,219	129,124	132,490	853
Due to other governmental units	-	3,233,932	3,233,932	-
TOTAL LIABILITIES	\$ 4,219	\$ 3,392,748	\$ 3,396,114	\$ 853